

IC 12-8-10

Chapter 10. Financial Services Group

IC 12-8-10-1

Application of chapter to money of state agencies used to obtain services from grantee agencies

Sec. 1. This chapter applies only to the indicated money of the following state agencies to the extent that the money is used by the agency to obtain services from grantee agencies to carry out the program functions of the agency:

- (1) Money appropriated or allocated to a state agency from money received by the state under the federal Social Services Block Grant Act (42 U.S.C. 1397 et seq.).
- (2) The division of aging, except this chapter does not apply to money expended under the following:
 - (A) The following statutes, unless application of this chapter is required by another subdivision of this section:
 - (i) IC 12-10-6.
 - (ii) IC 12-10-12.
 - (B) Epilepsy services.
- (3) The division of family resources, for money expended under the following programs:
 - (A) The child development associate scholarship program.
 - (B) The dependent care program.
 - (C) Migrant day care.
 - (D) The commodities program.
 - (E) The migrant nutrition program.
 - (F) Any emergency shelter program.
 - (G) The energy weatherization program.
 - (H) Programs for individuals with developmental disabilities.
- (4) The state department of health, for money expended under the following statutes:
 - (A) IC 16-19-10.
 - (B) IC 16-38-3.
- (5) The group.
- (6) All state agencies, for any other money expended for the purchase of services if all the following apply:
 - (A) The purchases are made under a contract between the state agency and the office of the secretary.
 - (B) The contract includes a requirement that the office of the secretary perform the duties and exercise the powers described in this chapter.
 - (C) The contract is approved by the budget agency.
- (7) The division of mental health and addiction.

As added by P.L.2-1992, SEC.2. Amended by P.L.2-1993, SEC.76; P.L.4-1993, SEC.30; P.L.5-1993, SEC.43; P.L.40-1994, SEC.17; P.L.24-1997, SEC.18; P.L.108-1997, SEC.6; P.L.215-2001, SEC.33; P.L.141-2006, SEC.29; P.L.145-2006, SEC.66; P.L.181-2006, SEC.51; P.L.1-2007, SEC.112; P.L.146-2008, SEC.383.

IC 12-8-10-2

"Grantee agency" defined

Sec. 2. As used in this chapter, "grantee agency" means a person that receives money directly from a state agency in return for the performance of services.

As added by P.L.2-1992, SEC.2.

IC 12-8-10-3

"Group" defined

Sec. 3. As used in this chapter, "group" refers to the financial services group established by sections of this chapter.

As added by P.L.2-1992, SEC.2.

IC 12-8-10-4

"Purchase of service format" defined

Sec. 4. As used in this chapter, "purchase of service format" means a contract format that has the following features:

- (1) Each type of service to be provided under the contract is broken down into measurable units.
- (2) A rate of reimbursement for each unit of service to be provided under the contract is established.
- (3) The units of service actually provided under the contract are reported by the service provider on a regular basis.
- (4) The cost of providing a unit of service under the contract is paid after the unit has been provided.

As added by P.L.2-1992, SEC.2.

IC 12-8-10-5

Establishment

Sec. 5. The financial services group is established within the office of the secretary.

As added by P.L.2-1992, SEC.2. Amended by P.L.108-1997, SEC.7.

IC 12-8-10-6

Selection of grantee agencies to be compensated

Sec. 6. (a) Subject to approval by the budget agency, the agencies subject to this chapter have the exclusive authority to select the grantee agencies to be compensated from the funding sources listed in section 1 of this chapter.

(b) Whenever the group becomes aware that a grantee agency exists that is capable of performing a service for an agency subject to this chapter, the group shall inform the agency of the potential grantee agency.

As added by P.L.2-1992, SEC.2.

IC 12-8-10-7

Procedure for reimbursing grantee agency; purchase of service format or other contract format use; determination

Sec. 7. (a) When a state agency selects a grantee agency under section 6 of this chapter, the state agency shall determine whether the

purchase of service format can be used as the procedure for reimbursing the grantee agency. The state agency has exclusive authority to make this determination, but the state agency shall seek to use the purchase of service format whenever possible.

(b) If a state agency determines that the purchase of service format can be used with a particular grantee agency, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(c) If a state agency determines that the purchase of service format cannot be used with a particular grantee agency, the state agency shall select the contract format that is to be used. If a state agency selects a contract format under this subsection, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(d) Notwithstanding IC 4-13-2-20, IC 12-17-19-19, or any other law, a contract format selected under subsection (b) or (c) may include provisions for advance funding as follows:

(1) For not more than one-sixth ($1/6$) of the contract amount if the annual contract amount is at least fifty thousand dollars (\$50,000).

(2) For not more than one-half ($1/2$) of the contract amount if the annual contract amount is less than fifty thousand dollars (\$50,000).

(3) For interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

As added by P.L.2-1992, SEC.2. Amended by P.L.20-1992, SEC.25; P.L.21-1992, SEC.7; P.L.1-1993, SEC.96; P.L.1-2005, SEC.127.

IC 12-8-10-8

Group procedure; requisites

Sec. 8. (a) When a state agency notifies the group of the selection of a grantee agency and a contract format, the group shall do the following:

(1) Prepare a contract with the grantee agency.

(2) Present the contract to the affected state agency for execution.

(b) A contract prepared by the group under subsection (a) is subject to approval under IC 4-13-2-14.3.

As added by P.L.2-1992, SEC.2.

IC 12-8-10-9

Records of grantee agencies; audits; requirements

Sec. 9. (a) Each grantee agency receiving money under a contract covered by this chapter shall maintain sufficient records to show the following:

(1) The actual cost of services provided under the contract.

(2) The nature and amount of services provided under the contract.

(b) At least every two (2) years the group shall, in the manner

prescribed by the state board of accounts, conduct audits of all grantee agencies that, under a contract under this chapter, receive payment from any of the money described in section 1(2) or 1(3)(J) of this chapter. These audits must include an investigation of the records of the grantee agencies to determine whether the services rendered under the contracts have been in compliance with the terms of the contracts.

(c) This section does not prohibit the state board of accounts from auditing grantee agencies under the board's own authority. The office of the secretary may do either of the following:

- (1) Contract with the state board of accounts to conduct audits of grantee agencies.
- (2) Require grantee agencies to obtain independent audits of their agencies.

(d) A contract between a state agency and the office of the secretary under section (1)(6) of this chapter may include a provision requiring the group to perform or arrange for the audits described by this section.

As added by P.L.2-1992, SEC.2. Amended by P.L.108-1997, SEC.8; P.L.181-2006, SEC.52.

IC 12-8-10-10

Audits; distribution of copies

Sec. 10. Not more than thirty (30) days after the completion of each audit required by this chapter, the group shall submit a copy of the audit to each of the following:

- (1) The state board of accounts.
- (2) Each state agency that is a party to a contract covered in the audit.
- (3) The legislative council, upon request of the legislative council or when required by federal law. A report submitted under this subdivision must be in electronic format under IC 5-14-6.
- (4) The appropriate federal agency, when required by federal law.

As added by P.L.2-1992, SEC.2. Amended by P.L.28-2004, SEC.87.